



August 31, 2007

FAX (512) 263-4943

David Paratore  
Security Management Systems, LLC  
80 Red River, Suite 111  
Austin, TX 78701

**RE: INSTALLATION, EXPANSION & MAINTENANCE OF THE INTEGRATED  
SECURITY MANAGEMENT SYSTEM (ISMS) FOR AUSTIN ENERGY**

Dear Mr. Paratore:

The Austin City Council approved the execution of a contract with your company for the above-referenced bid item as follows:

Date of Award: August 31, 2007  
Contract No.: NS070000025  
Dollar Value: Not-to-exceed \$1,775,740 initial contract term

Contract Term: September 24, 2007 thru September 23, 2008 with four (4) twelve (12) month extension options  
Extension Option 1 - Not-to-exceed \$1,816,800  
Extension Option 2 - Not-to-exceed \$1,860,120  
Extension Option 3 - Not-to-exceed \$1,905,492  
Extension Option 4 - Not-to-exceed \$1,951,200

Agenda Item No.: 41  
Agenda Date: August 30, 2007

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the Contract Manager, Arthur Aguirre at 512-322-6675.

Sincerely,

Karen Williams, Buyer II  
Purchasing Office  
Finance and Administrative  
Services Department